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BESTINET TECHNOLOGY SDN BHD v. MYFWM SYSTEM SDN BHD & ORS

HIGH COURT MALAYA, KUALA LUMPUR
MOHD RADZI HARUN J
[CIVIL SUIT NO: WA-221P-22-03-2020]
5 JANUARY 2022

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Abstract – *A claimant in a challenge against its trademark infringement must establish that the unlawful usage of the trademark owned by him had caused 'likelihood of confusion on the part of the public', as provided in s. 54 of the Trademarks Act 2019, the determination of which is one of perception and the court would take a holistic assessment of all circumstances, including extraneous factors, to decide objectively. Whereas, for an action in the tort of passing off, the claimant is entitled to damages if it is proven that misrepresentation by the infringer causes damage to the goodwill of the claimant's trademark. And, the creation of a mark similar to that of the claimant's, and the proof of commission of tortious act of passing off and unlawfully interfering with claimant's trade, would be the basis to establish the tort of conspiracy to injure.*

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INTELLECTUAL PROPERTY: *Trademarks – Infringement – Infringing mark similar to claimant's mark – Whether claimant owned valid trademark – Whether trademark was used in course of trade without consent – Whether unlawful usage of trademark owned by claimant caused deception to public who are among prospective customers – Trademarks Act 2019*

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TORT: *Passing off – Claim – Whether claimant acquired goodwill in its trade/business – Whether there was misrepresentation by defendants which caused damage to goodwill of claimant's business through unlawful association created by defendants – Whether claimant suffered or was likely to suffer damage as result of defendants' misrepresentation – Whether there was unlawful interference with claimant's trade by defendants*

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TORT: *Conspiracy – Conspiracy to injure – Whether there was proof of agreement and/or combination of efforts of conspirators to injure claimant – Whether there were acts committed to execute agreement or combination to injure claimant – Whether claimant suffered damage due to acts done in execution of agreement or combination to injure claimant*

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The plaintiff's action against the defendants, pursuant to the Trademarks Act 2019 ('TMA'), was for its trademark infringement, tort of passing off, unlawful interference with trade and conspiracy to injure. The plaintiff's case was that (i) it started its business operations in 2012 with its main focus on the provision of a computerised management system of foreign workers; (ii) the mark 'FWCMS' was coined by the plaintiff and was an acronym for 'foreign workers centralised management system' which was developed by the plaintiff; (iii) in July 2019, the plaintiff found that the defendants had offered a system dealing with the management of foreign workers, a service similar to that of the plaintiff's and the defendants' system was using the marks 'MyFWMs' which was confusingly similar to the plaintiff's 'FWCMS' trademark; and (iv) the defendants' infringing mark was so similar to the plaintiff's that it caused confusion and deception to the public into believing that the services provided by the defendants were that of the plaintiff's and the members of the public would use the defendants' services as they believe the services to be that of the plaintiff's. The plaintiff sought the following reliefs: (i) a declaration that the defendants had committed an act of false trade description; (ii) permanent injunction against the defendants from continuing to infringe and passing off the plaintiff's trademarks and unlawfully interfering with the plaintiff's trade and delivery up order of all infringing items in the possession of the defendants; (iii) determination of the plaintiff's loss of profits through an examination of the defendants' accounts; and (iv) exemplary, aggravated and statutory damages. The defendants' main defence was that the defendants' system and processes were at developmental stage and none of the components of the system had been operational at the time cited in the plaintiff's statement of claim. Thus, the defendants claimed that the plaintiff's claim against them must fail. The defendants counterclaimed and sought to invalidate the plaintiff's FWCMS trademark and further sought an injunction against the plaintiff from continuing to use the trademark. Two preliminary issues were raised, specifically (i) the plaintiff had asked the court to pierce the corporate veil of the first defendant to prevent the second, third and fourth defendants from evading liability; and (ii) the defendants pleaded in their counterclaim that the plaintiff's trademark was invalid on the grounds of non-use and non-distinctiveness and therefore, the said trademarks should be invalidated by the court pursuant to s. 46 of the TMA. The issues by the parties for the court to answer were, among others: (i) was the defendants' 'MyFWMs' mark similar to the plaintiff's 'FWCMS'; (ii) did the defendants' act of 'offering their services' in their website containing the mark 'MyFWMs' infringe the plaintiff's 'FWCMS' trademark; (iii) did the defendants commit the tortious act of passing off when they used the 'MyFWMs' mark; (iv) did the defendants commit the tortious act of unlawful interference with the plaintiff's trade; (v) did the defendants commit the tortious act of conspiracy to injure the plaintiff; and (vi) whether the defendants had profited from the use of the 'MyFWMs' marks.

Held (allowing plaintiff's claim for passing off, unlawful interference with trade and conspiracy to injure; dismissing defendants' counterclaim):

(1) The conditions for an entity's corporate veil to be pierced or lifted are that (i) the piercing of a corporate veil is in the interest of justice; and (ii) the existence of special circumstances to pierce or lift the corporate veil, such as (a) there has been commission of actual fraud or common law fraud; (b) equitable fraud or constructive fraud has been committed; (c) to prevent evasion of liability; or (d) to prevent an abuse of corporate personality. The SSM search document showed that the second, third and fourth defendants were the only directors and shareholders of the first defendant. The second, third and fourth defendants were the alter ego and controlling minds of the first defendant and shall be liable together with the first defendant. Consequently, to prevent the second, third and fourth defendants from individually and collectively evading their liability and to prevent them from abusing the first defendant's corporate personality, it was in the interest of justice for the first defendant's corporate veil to be pierced. (paras 20-22)

(2) The plaintiff had provided sufficient proof that the plaintiff's 'FWCMS' had been registered with the Registrar. The plaintiff had also shown proof of its continues use of its trademark in the following manner: (i) in the plaintiff's website which was available to the public at large in the course of the trade; (ii) in the plaintiff's Facebook page and promotional brochure; (iii) in various articles and publications; and (iv) in photographs at various premises and locations. The plaintiff had positively used its trademark as a statement or part of a statement about its registered trademark. The defendants' claim that the plaintiff's trademark should be invalidated was thus dismissed. (paras 24, 25 & 27)

(3) The phonetics aspects of both marks could not be taken into account as both the plaintiff's mark 'FWCMS' and the defendant's 'MyFWMs' mark did not carry any sensible speech or phonetic sounds. However, the court took into account the conceptual aspects of the services offered by both the plaintiff and the defendants which relate to a similar system created to manage foreign workers in Malaysia. The defendants' 'MyFWMs' mark so nearly resembled the plaintiff's 'FWCMS' trademark. Hence the answer to the first issue was in the affirmative. (paras 2 & 34 & 35)

(4) For the claimant to succeed in a trademark infringement claim under s. 38 of the Trade Marks Act 1976, he must establish that: (i) he owned a valid trademark; (ii) the trademark was used in the course of trade without consent; and (iii) the unlawful usage of the trademark owned by him had caused deception to the public who are among prospective

customers. The defendants had offered their services in the course of their trade to the Government representatives. This was carried out through various means which included a presentation to KDN officials and the creation of a dummy website, using the infringing mark. That mark was similar to the plaintiff's trademark. The defendants did not infringe the plaintiff's trademark as the plaintiff failed to prove the requisite legal element of 'resulting in the likelihood of confusion on the part of the public' as provided under s. 54 of the TMA. Therefore, the answer to the second issue was in the negative. (paras 2, 38, 52-53)

(5) For the plaintiff to succeed in its claim in the tort of passing off, the plaintiff must satisfy the court that: (i) it acquired goodwill in its trade/business; (ii) there must be misrepresentation by the defendants which caused damage to the goodwill of the plaintiff's business through an unlawful association created by the defendants; and (iii) the plaintiff suffered or was likely to suffer damage as a result of the defendants' misrepresentation. The plaintiff had successfully proven the misrepresentation by the defendants which caused damage to the goodwill of the plaintiff's business through an unlawful association created by the defendants and that the plaintiff had thereby suffered damage as a result of the defendants' misrepresentation. Consequently, the plaintiff's claim for the tort of passing off was allowed. (paras 59 & 67)

(6) As there was an affirmative finding on the issue of tort of passing off, there was an unlawful interference with the plaintiff's trade by the defendants. (para 69)

(7) To succeed in its claim against the defendants for tort of conspiracy to injure by unlawful means, the plaintiff must fulfil the following elements of the tort of conspiracy to injure: (i) there must be proof of an agreement and/or a combination of efforts of the conspirators to injure the plaintiff. Such an agreement or combination may be formal or informal or in writing or by word of mouth; (ii) there were acts committed to execute the agreement or combination to injure the plaintiff; and (iii) the plaintiff had suffered damage due to acts done in execution of the agreement or combination to injure the plaintiff. On a balance of probabilities, the plaintiff had successfully proven that the defendants had conspired by unlawful means to injure the plaintiff. The defendants had created a mark that was similar to that of the plaintiff's and the defendants had committed the tortious act of passing off against the plaintiff's trademark and had unlawfully interfered with the plaintiff's trade. Hence, the court ordered an assessment of damages for the plaintiff, in a separate proceeding, wherein the issue of whether the defendants had profited from the use of the "MyFWMs" marks would also be determined. (paras 70, 71 & 74)

Case(s) referred to:

A Clouet & Co Pte Ltd & Anor. v. Maya Toba Sdn Bhd [1996] 1 BLJ 239 HC ***(refd)***

AG Spalding & Bros v. A W Gamage Ltd [1915] 84 LJ Ch 449 ***(refd)***

Al Baik Fast Food Distribution Co SAE v. El Baik Food Systems Co SA & Another Appeal [2016] 9 CLJ 310 CA ***(refd)***

Bata Ltd v. Sim Ah Ba & Ors [2006] 3 CLJ 393 CA ***(refd)***

BRG Brilliant Rubber Goods (M) Sdn Bhd v. Santa Barbara Polo & Racquet Club Management Inc; Pendaftar Cap Dagangan, Malaysia (Interested Party) And Another Case [2015] 4 CLJ 1062 HC ***(refd)***

Chanel v. Melwani2 International Sdn Bhd & Ors And Other Cases [2017] 6 CLJ 567 HC ***(refd)***

Electrolux Ltd v Electrix Ltd [1954] 71 RPC ***(refd)***

Giga Engineering & Construction Sdn Bhd v. Yip Chee Seng & Sons Sdn Bhd & Anor [2015] 9 CLJ 537 FC ***(refd)***

Godrej Sara Lee Ltd v. Siah Teong Teck & Anor (Part 2) [2007] 1 LNS 230 HC ***(refd)***

Gurbachan Singh Bagawan Singh & Ors v. Vellasamy Pennusamy & Other Appeals [2015] 1 CLJ 719 FC ***(refd)***

Ho Tack Sien & Ors v. Rotta Research Laboratorium S.p.A & Anor; Registrar Of Trade Marks (Intervener) & Another Appeal [2015] 4 CLJ 20 FC ***(refd)***

Hui Kuan Hoe v. Societe Des Produits Nestle S.A. [2013] 2 CLJ 644 CA ***(refd)***

Illinois Tool Works, Inc v. Pendaftar Cap Dagangan, Malaysia [2010] 3 CLJ 837 HC ***(refd)***

LB (Lian Bee) Confectionary Sdn Bhd lwn. QAF Ltd & Satu Lagi Dan Satu Kes Yang Lain [2011] 7 CLJ 797 CA ***(refd)***

Lim Yew Sing v. Hummel International Sports & Leisure A/S [1996] 4 CLJ 784 CA ***(refd)***

Low Chi Yong v. Low Chi Hong & Anor [2018] 1 CLJ 287 FC ***(refd)***

Meidi-Ya Co Ltd, Japan & Anor v. Meidi (M) Sdn Bhd [2009] 2 CLJ 15 FC ***(refd)***

Merck KGaA v. Leno Marketing (M) Sdn Bhd; Registrar Of Trade Marks (Interested Party) [2017] 1 LNS 1006 CA ***(refd)***

Mesuma Sports Sdn Bhd v. Majlis Sukan Negara Malaysia; Pendaftar Cap Dagangan Malaysia (Interested Party) [2015] 9 CLJ 125 FC ***(refd)***

Munchy Food Industries Sdn Bhd v. Huasin Food Industries Sdn Bhd [2021] 10 CLJ 329 FC ***(refd)***

Muniandy Nadasan & Ors v. Dato' Prem Krishna Sahgal & Ors [2016] 1 LNS 592 HC ***(refd)***

Polo/Lauren Co, LP v. Shop In Department Store Pte Ltd [2006] 2 SLR(R) 690 ***(foll)***

Renault SA v. Inokom Corporation Sdn Bhd & Anor And Other Applications [2010] 5 CLJ 32 CA ***(refd)***

Sabel v. Puma [1998] RPC 199 ***(refd)***

Sarika Connoisseur Cafe Pte Ltd v. Ferrero SpA [2012] SGCA 56 ***(foll)***

SCK Group Bhd & Anor v. Sunny Liew Siew Pang & Anor [2010] 9 CLJ 389 CA ***(refd)***

Seet Chuan Seng & Anor v. Tee Yih Jia Food Manufacturing Pte Ltd [1994] 3 CLJ 7 SC ***(foll)***

Sinma Medical Products (M) Sdn Bhd v. Yomeishu Seizo Co Ltd & Ors [2004] 3 CLJ 815 CA ***(refd)***

Skyworld Development Sdn Bhd & Anor v. Skyworld Holdings Sdn Bhd & Ors [2020] 1 LNS 48 CA ***(foll)***

Solid Investments Ltd v. Alcatel Lucent (Malaysia) Sdn Bhd [2014] 3 CLJ 73 FC ***(refd)***
Star Industrial Co Ltd (Trading As New Star Industrial Co) v. Yap Kwee Kor [1976] FSR 256 ***(refd)***
The Pianotist Co Ltd [1906] 23 RPC 774 ***(foll)***
Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd [1992] 2 CLJ 1153; [1992] 1 CLJ (Rep) 344 SC ***(refd)***
Wagamama Ltd v. City Centre Restaurants Plc [1995] FSR 713 ***(refd)***
Warmal Wil Heavy Duty Pumps Sdn Bhd v. Pump Matrix Engineering Sdn Bhd [2018] 1 LNS 88 HC ***(refd)***
White Hudson & Co v. Asian Organization Ltd [1964] 1 LNS 215 PC ***(refd)***
Yong Sze Fun & Anor v. Syarikat Zamani Hj Tamin Sdn Bhd & Anor [2011] 1 LNS 1307 CA ***(foll)***

Legislation referred to:
Trade Marks Act 1976 (repealed), s. 38
Trademarks Act 2019, ss. 2, 7, 9(1), 46, 47, 54(2)

Trade Marks Act [Sing], s. 27(2)

For the plaintiff - Koh Wei Jie; M/s Ng, Arlene Tan & Leong Advocs
For the defendants - Muhd Fadzli Amin Muhd Yusoff; M/s Khairul Fadzli Amin & Co Advocs

Reported by Lina E

JUDGMENT

Mohd Radzi Harun J:

Introduction

[1] The plaintiff complained that its registered trademark "FWCMS" was infringed by the defendants' "MyFWMs" mark in the provision of the defendants' similar type of service relating to foreign workers management system. The plaintiff's action against the defendants is for its trademark infringement, tort of passing off, unlawful interference with trade, and conspiracy to injure. In their counterclaim, the defendant asked this court to invalidate the plaintiff's "FWCMS" trademark and that a permanent injunction is issued against the plaintiff from the continued usage of that trademark.

[2] After the full trial, this court made the following decisions on the nine issues that had been listed by the parties for this court to answer:

(i) Question: Is the defendant's "MyFWMs" mark similar to the plaintiff's "FWCMS"?

Answer: Affirmative.

(ii) Question: Did the defendants' act of "offering their services" on their website https:myfwms.com.my containing the mark "MyFWMs" infringed the plaintiff's "FWCMS" trademark?

A Answer: Negative.

(iii) Question: Did the defendants commit the tortious act of passing off when they used the "MyFWMs" mark?

Answer: Affirmative.

B (iv) Question: Did the defendants commit the tortious Act of unlawful interference with the plaintiff's trade?

Answer: Affirmative.

(v) Question: Did the defendants commit the tortious act of conspiracy to C injure the plaintiff?

Answer: Affirmative.

(vi) Question: Whether or not there exist a contract between the plaintiff and the Government of Malaysia for the plaintiffs provision of the D foreign workers management system?

Answer: This question bears no relevance to the substantive issues before this court, hence there is no necessity for this court to answer.

(vii) Question: If the answer to the sixth issue is in the affirmative, whether that contract is still effective? E

Answer: As this court had refused to answer the sixth question, it follows that there is no necessity to answer this question.

(viii) Question: Whether the defendants had profited from the use of the "MyFWMs" marks? F

Answer: This question relates to the issue of quantum of damages, hence the answer will be determined separately at the assessment of damages proceeding.

(ix) Question: Whether the plaintiffs claim against the defendants in G relation to the defendants' use of the "MyFWMs" mark can subsist as the Government of Malaysia had decided to suspend the earlier contract between the Government of Malaysia and the plaintiff on the provision of the foreign workers management system?

Answer: This question bears no relevance to the substantive issues H before this court, hence there is no necessity for this court to answer.

[3] The defendants were aggrieved and appealed against the entire decisions of this court. The plaintiff also filed its appeal but only against this court's decision that the defendants did not commit any infringement on the plaintiff's trademark.

I **[4]** This ground of judgment shall apply to both the appeals.

Brief Facts

Plaintiff's Case

[5] The plaintiff started its business operations in 2012 with its main focus on the provision of a computerised management system of foreign workers. Plaintiff is the registered proprietor of the following trademarks:

Trademark No.	Marks	Application Date	Class	Status
2017009976	FWCMS FWCMS	15/9/2017	35	Registered
2013004916	FWCMS	4/4/2013	9	Registered
2013004917	FWCMS	4/4/2013	42	Registered

[6] It is undisputed that the mark "FWCMS" was coined by the plaintiff and is an acronym for "foreign workers centralised management system" developed by the plaintiff.

[7] Around July 2019, the plaintiff found that the defendants had offered a system dealing with the management of foreign workers, a service similar to that of the plaintiff's. The plaintiff further found that the said defendants' system was using the marks "MyFWMs" ("infringing marks") that is confusingly similar to the plaintiff's "FWCMS" trademark in the following manner:

Plaintiff's Registered Trademarks	Defendants' Infringing Marks
TM No. 2017009976 (Kelas 35) FWCMS FWCMS TM No. 2013004916 (Kelas 9) TM No. 2013004917 (Kelas 42) FWCMS	MyFWMs

[8] The plaintiff alleged that the defendants, beginning from a date unknown to the plaintiff, had been operating the business of foreign workers management system through its website https://mvfwms.com.my using the "MyFWMs" mark which had infringed the plaintiff's registered trademarks as depicted in the preceding paragraph. The defendants' infringing mark is so similar to the plaintiff's that it had caused confusion and deception to the

public into believing that the services provided by the defendant are that of the plaintiff's, and that the members of the public would use the defendants' services as they believed the services to be that of the plaintiff's.

[9] Consequent to the above, the plaintiff filed the current action under the Trademarks Act 2019 ("TMA 2019") against the defendants for its trademark infringement, tort of passing off, unlawful interference with trade, and conspiracy to injure the plaintiff. The reliefs sought by the plaintiff include:

(i) declaration that the defendants had committed an act of false trade description;

(ii) permanent injunction against the defendants from continuing to infringe and passing off the plaintiff's trademarks and unlawfully interfering with the plaintiff's trade and delivery up order of all infringing items in the possession of the defendants;

(iii) determination of the plaintiff's loss of profits through examination of the defendants' accounts;

(iv) exemplary, aggravated and statutory damages.

Defendants' Case

[10] The defendants admitted in their pleadings that they had introduced a system for the foreign workers management at its website https://myfwms.com. However, the defendants' main contention is that the system and the said website has not been operational at the material time.

[11] As for the mark "MyFWMs", the defendants pleaded that the logo and that mark is an abbreviation of the official name of the first defendant company, MYFWM System Sdn Bhd. It is the defendants' case that at all times they had been using the acronym "MyFWMs" in carrying out its business relating to foreign workers management system. It was a mere nomenclature. In addition to that, the defendants' foreign workers management system is called "SP4M", short for "Sistem Pengurusan, Pengambilan, Pemantauan Pekerja Asing Malaysia". "SP4M" comprised four basic characteristics involving transparency, data security, SMS notifications and system security. Another process called "M2PA" was incorporated into "SP4M" which involve, among others, e-attestation, workers selection, e-insurance, foreign workers delivery and arrivals, health examinations and temporary work permit. These are intended to create a platform that provides an efficient process of foreign workers' entry into Malaysia.

[12] The defendants' main defence is that all the above system and processes were at developmental stage at the material time. None of the said components of the system has been operational at the time cited in the

plaintiff's statement of claim. Thus, the defendants claimed, the plaintiff's claims against the defendants must fail as there simply were no infringement or passing off of the plaintiff's trademark and no interference with the plaintiff's trade could have occurred or committed by the defendants.

[13] On the infringing marks, the defendants pleaded that the plaintiff's claim for its trademark infringement must fail as:

(i) the plaintiff's trademark "FWCMS" refers to an acronym of the system it provides, "foreign workers centralised management system", whereas the defendants' "MyFWMs" mark is an acronym of the first defendant's company name;

(ii) no confusion nor deception caused to the members of the public and the trading community as there are no obvious phonetic and visual similarities between the plaintiff's "FWCMS" trademark and the defendants' "MyFWMs" mark as:

(a) the mark "MyFWMs" included the word "My";

(b) the letter "C" as found in the plaintiff's trademark is conspicuously missing in the defendants' mark;

(c) the visibly different font and colours used in the defendants' mark compared to that used in the plaintiff's trademark; and

(d) various symbols appear in the defendants' marks that are completely missing and not found in the plaintiff's trademark.

(iii) the defendants were merely doing a test on the system they were developing and they were carrying out demonstrations to certain Government officials as part of the requirement before the Government considers and make its final determination on the defendants' proposal;

(iv) in actual fact, the defendants do not continue with the project as the Government had subsequently made a policy call where the defendants were entirely excluded from the said project;

(v) even if the system developed by the defendants contain similar purpose and functionalities with the plaintiffs, the defendants had provided a system comprising "SP4M" and "M2PA" that is entirely different than that offered by the plaintiff.

[14] The defendant counterclaimed against the plaintiff seeking this court to invalidate the plaintiff's "FWCMS" trademark and that a permanent injunction is issued against the plaintiff from the continued usage of the "FWCMS" trademark.

A *The Trial*

[15] Due the movement control order, the trial proceeded in a hybrid manner, using both the usual physical appearances of counsels and witnesses in my courtroom and *via* remote communication technology, with the agreement of all parties. The plaintiff called two witnesses and the defendant
B called only one witness, the second defendant.

Finding

Preliminary Issues

C **[16]** Before I dealt with the substantive questions, I had dispensed with two preliminary issues in the following manner:

Preliminary Issue 1: Piercing Of The First Defendant's Corporate Veil

[17] It is the defendants' defence that as the second, third and fourth defendants ("D2", "D3", "D4" respectively) are individual persons, their
D liabilities, if any, must be separated from the first defendant's, which is a body corporate. The plaintiff on the other hand asked this court to pierce the corporate veil of the first defendant to prevent D2, D3 and D4 from evading liability.

E **[18]** This court found that DW1 in his evidence confirmed that all the defendants were involved together and collectively in the provision of the business of foreign workers management system using the infringing marks. It was also the evidence of DW1 that D2, D3, D4 as directors of the first defendant conducted the said business together and all decisions of the first defendant were made collectively by D2, D3 and D4.

F **[19]** In *Chanel v. Melwani2 International Sdn Bhd & Ors And Other Cases* [2017] 6 CLJ 567 Justice Wong Kian Kheong elaborated on the difference between the piercing of a corporate veil and its lifting. His Lordship held:

> A company's corporate veil is pierced by a party when the party seeks to
G impose personal liability on an individual who may or may not be the company's director, shareholder or employee. The court lifts the corporate veil of a company to ascertain the true factual position without imposing any personal liability on a particular individual [please see Staughton LJ's judgment in the English court of Appeal case of *Atlas Maritime Co SA v. Avalon Maritime Ltd (The Coral Rose) (No. 1)* [1991] 4 All ER 769, at 779
H which was followed in *KTL Sdn Bhd & Anor v. Leong Oow Lai & Other Cases* [2014] 1 LNS 427; [2014] AMEJ 1458, at paras. 66 and 67].

[20] Further, having considered the judgments of three oft-cited decisions of the Federal Court of *Solid Investments Ltd v. Alcatel Lucent (Malaysia) Sdn Bhd* [2014] 3 CLJ 73; *Gurbachan Singh Bagawan Singh & Ors v. Vellasamy*
I *Pennusamy & Other Appeals* [2015] 1 CLJ 719; [2015] 1 MLJ 773, and *Giga Engineering & Construction Sdn Bhd v. Yip Chee Seng & Sons Sdn Bhd & Anor*

[2015] 9 CLJ 537 on the issue of lifting and piercing of the corporate veil, the learned judge eloquently consolidated these decisions and held that the conditions for an entity's corporate veil to be pierced or lifted are that:

(i) the piercing of lifting of a corporate veil is in the interest of justice; and

(ii) the existence of special circumstances to pierce or lift the corporate veil, such as:

(a) there has been commission of actual fraud or common law fraud;

(b) equitable fraud or constructive fraud has been committed;

(c) to prevent evasion of liability; or

(d) to prevent an abuse of corporate personality.

[21] The SSM search document (refer bundle A1, pp. 3, 4) shows that D2, D3 and D4 are the only directors and shareholders of the first defendant. In his evidence, DW1 admitted that D2, D3 and D4 together founded the first defendant.

[22] Relying on the authorities cited above and the evidence before this court, I am satisfied that D2, D3 and D4 are the alter ego and controlling minds of the first defendant and shall be liable together with the first defendant. Consequently, I made a finding that to prevent D2, D3 and D4 individually and collectively evading their liability and also to prevent them from abusing the first defendant's corporate personality, it is in the interest of justice for the first defendant's corporate veil to be pierced.

Preliminary Issue 2: Validity Of The Plaintiff's FWCMS Trademark

[23] It is the defendants' pleaded case in their counterclaim that the plaintiff's trademark is invalid on grounds of its:

(i) non-use; and

(ii) non-distinctiveness,

and therefore the said trademark should be invalidated by this court pursuant to s. 46 of the TMA 2019.

[24] At the outset, this court is satisfied that the plaintiff had provided sufficient proof that the plaintiff's "FWCMS" had been registered with the Registrar. Secondly, this court is satisfied that the plaintiff had shown proof of its continued use of its trademark in the following manner:

(i) in the plaintiff's website https:fwcms.com.my, which is available to the public at large in the course of trade (see bundle A1, pp. 70 to 103);

(ii) in the plaintiff's Facebook page (see bundle A1, p. 139);

(iii) in the plaintiff's promotional brochure (see bundle A1, p. 137);

(iv) in various articles and publications (see bundle A1, pp. 104 to 136); and

(v) in photographs at various premises and locations (see bundle A1, pp. 143, 104 to 136).

[25] Having considered the evidence before me and the testimonies of PW1 and DW1 on this issue during the course of the trial, I conclude that the plaintiff had positively used its trademark as a statement or part of a statement about its registered trademark. Plaintiff had used its trademark by affixing the marks to its services, advertisement and publications as I had enumerated above (see *Godrej Sara Lee Ltd v. Siah Teong Teck & Anor (Part 2)* [2007] 1 LNS 230; [2007] 7 MLJ 164; *Al Baik Fast Food Distribution Co SAE v. El Baik Food Systems Co SA & Another Appeal* [2016] 9 CLJ 310; [2016] 9 MLJ 466). I found that the plaintiff had fulfilled the meaning of "use" as defined in s. 7 of TMA 2019.

[26] It is my finding further that the Registrar was correct in allowing the plaintiff's "FWCMS" trademark to be registered having assessed the mark as a whole and found that it fulfilled its distinctive character and that it does not describe its goods and not descriptive, and peculiar (see *Illinois Tool Works, Inc v. Pendaftar Cap Dagangan, Malaysia* [2010] 3 CLJ 837; [2009] 9 MLJ 101). I found that the mark is distinctive as defined under s. 2 of the TMA 2019.

[27] The defendants' claim that the plaintiff's trademark should be invalidated pursuant to ss. 46 and 47 of the TMA 2019 is consequently dismissed.

Substantive Issues For Determination

[28] Having considered the evidence before me and taking into account the written and oral submissions by the counsels of both parties, my findings on the nine issues to be determined by this court are as in the following paragraphs.

Issue 1: The Defendants' "MyFWMs" Mark Is Similar To The Plaintiff's "FWCMS"?

[29] The defendants' main contention is that the plaintiff's "FWCMS" trademark is an acronym for "Foreign Workers Centralised Management System" whereas the mark used by the defendants is "MyFWMs" which is an abbreviation of the name of the defendants company as well as the acronym for "Malaysia Foreign Worker Management System".

[30] Specifically, as I had highlighted in the earlier paragraph, the defendants' main argument to substantiate their case that the answer to this first issue is in the negative are that:

(i) There exists the letter "C" in plaintiff's trademark, a feature of which is absent in defendant's mark.

(ii) The defendant's mark uses a different "font" from plaintiff's trademark. A

(iii) The defendant's mark contains a picture/symbol of three lines on top of the words "MyFWMs", a feature of which is absent in plaintiff's trademark.

(iv) The defendant's mark uses a font bright red in colour whereas the font used for plaintiff's trademark is in a dark blue colour. B

(v) The defendant's mark consists of six letters whereas the plaintiff's trademark consists of five letters.

(vi) The defendant's mark uses a small letter "s" while plaintiff's trademark uses a capital "S". C

(vii) The defendant's mark contains the syllable "My", a feature of which is absent in the plaintiff's trademark. As the first syllable in defendant's mark, it stands out more and further differentiates the defendant's mark from the plaintiff's trademark. D

[31] The defendants' counsel submitted that PW1 during cross-examination was of the opinion that the defendants' mark possesses different visual quality than the plaintiff's trademark:

[Notes of Proceeding dated 12/10/2020, Page 10 Line 8] E

AHZ: Saya ingin merujuk Encik Ismail kepada soalan dan jawapan nombor 16 dan juga nombor 18. Saya merujuk kepada logo pada jawapan Encik Ismail. Setuju kalau saya cadangkan bahawa logo yang ada tiga garis tersebut tidak terdapat pada cap dagangan FWCMS milik Plaintif?

IMN: Tiga garis tidak – saya setuju tidak ada. F

AHZ : Okay. Saya cadangkan pada Encik Ismail bahawa font, walaupun Encik Ismail tidak pasti font yang digunakan untuk FWCMS, tapi saya cadangkan bahawa font yang digunakan untuk kedua-dua cap dagangan ini, yang terada dalam cap dagangan FWCMS milik Plaintif dan MyFWMs milik Defendan menggunakan font yang berbeza, setuju atau tidak? G

IMN: Setuju.

[32] Relying on *BRG Brilliant Rubber Goods (M) Sdn Bhd v. Santa Barbara Polo & Racquet Club Management Inc; Pendaftar Cap Dagangan, Malaysia (Interested Party) And Another Case* [2015] 4 CLJ 1062; [2017] 7 MLJ 244; H *Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd* [1992] 2 CLJ 1153; [1992] 1 CLJ (Rep) 344; *Al Baik Fast Food Distribution Co SAE* (*supra*), the defendant's counsel submitted that the plaintiff's and defendants' marks when taken as a whole showed stark contrasts between the two where the defendants had produced huge visual, conceptual and phonetic comparisons between these two marks as indicated in the seven-points above. I agree with the I defendants' counsel on the requirements that must be established by the plaintiff as set out in those authorities.

[33] The law is trite that in determining this issue, I must consider the two words "FWCMS" and "MyFWMS", judge them both by their look and their sound (if that can be deciphered), and consider the goods or the services to which the marks are to be applied: *The Pianotist Co Ltd* [1906] 23 RPC 774; *Tohtonku Sdn Bhd* (*supra*).

[34] I had taken the plaintiff's and the defendants' marks as a whole. I conclude that the phonetic aspects of both marks cannot be taken into account as both the plaintiff's mark "FWCMS" and the defendants' "MyFWMs" mark do not carry any sensible speech or phonetic sounds. But I took into account the conceptual aspects of the services offered by both the plaintiff and the defendants, which relate to a similar system created to manage foreign workers in Malaysia.

[35] I am further satisfied that having considered the visual aspects and the services to which these marks applied, it is safe for me to make a finding of fact that the defendants' "MyFWMs" mark is so nearly resembles the plaintiff's "FWCMS" trademark. I conclude that the answer to the first issue is in the affirmative.

Issue 2: Whether The Defendants' Offer Of Their Services In Their Website https:myfwms.com.my Containing The Mark "MyFWMs" Infringed The Plaintiffs "FWCMS" Trademark

[36] It is my conclusion that the fact that I had made a finding of fact that the defendants' "MyFWMs" mark is similar to the plaintiff's "FWCMS" trademark does not automatically means the defendants had infringed the plaintiff's trademark, for the plaintiff shall fulfil the legal thresholds and elements as set out in s. 54 of the TMA 2019.

[37] The current legal position as to what constitutes a trademark infringement is as set out in the Federal Court case of *Low Chi Yong v. Low Chi Hong & Anor* [2018] 1 CLJ 287. In essence, trademark infringement is an unauthorised use of a sign that is substantially identical with, or deceptively similar to, a registered trademark, is an infringement. A trademark is taken to be deceptively similar to another trademark if it so nearly resembles the other trademark that it is likely to deceive or cause confusion in the course of trade: *Skyworld Development Sdn Bhd & Anor v. Skyworld Holdings Sdn Bhd & Ors* [2020] 1 LNS 48 (CA); [2020] 3 MLJ 294.

[38] In essence, the Federal Court in *Low Chi Yong* had explained that for the claimant to succeed in a trademark infringement claim under s. 38 of the TMA 1976, he must establish that:

(i) he owned a valid trademark;

(ii) the trademark was used in the course of trade without consent; and

(iii) the unlawful usage of the trademark owned by him had caused deception/confusion to the public who are among the prospective customers.

[39] That legal position had been reaffirmed time and again in a plethora of decisions, and most recently by the Federal Court in *Munchy Food Industries Sdn Bhd v. Huasin Food Industries Sdn Bhd* [2021] 10 CLJ 329 where the Federal Court held:

> In *Low Chi Yong v. Low Chi Hong & Anor* [2018] 1 CLJ 287; [2018] 1 MLJ 175 .... Suriyadi Halim Omar FCJ delivering the judgment of the court emphasised that the burden of proof in trademark infringement case lies with the party alleging that his trademark has been infringed and that the party complaining of the infringement must establish the following:
>
> (i) he owned a valid trademark;
>
> (ii) that the trademark was used in the course of trade without consent; and
>
> (iii) the unlawful usage of the trademark owned by him had caused deception/confusion among the prospective customers.

[40] I must highlight that s. 38 of the Trade Marks Act 1976 employed the phrase "likely to deceive or cause confusion", whereas s. 54 of the new TMA 2019 uses the phrase "likelihood of confusion on the part of the public". For ease of reference I state below s. 54 in its entirety:

> 54 (1) A person infringes a registered trademark if he uses a sign which is identical with the trademark in relation to goods or services which are identical with those for which it is registered, in the course of trade, without the consent of the registered proprietor.
>
> (2) A person infringes a registered trademark if, without the consent of the proprietor of the trademark, he uses in the course of trade a sign:
>
> (a) that is identical with the trademark and is used in relation to goods or services similar to those for which the trademark is registered; or
>
> (b) that is similar to the trademark and is used in relation to goods or services identical with or similar to those for which the trademark is registered,
>
> resulting in the likelihood of confusion on the part of the public.
>
> (3) For the purposes of this section, a person uses a sign if he:
>
> (a) applies it to goods or their packaging;
>
> (b) offers or exposes goods for sale under the sign;
>
> (c) puts goods on the market under the sign;
>
> (d) stocks goods under the sign for the purpose of offering or exposing them for sale or of putting them on the market;
>
> (e) offers or supplies services under the sign;

A (f) imports or exports goods under the sign;

(g) uses the sign on an invoice, catalogue, business letter, business paper, price list or other commercial document, including any such document in any medium; or

(h) uses the sign-in advertising.

B (4) A person who:

(a) applies a registered trademark to any material used or intended to be used for labelling or packaging goods; or

(b) uses a sign in advertising or on any document described in C paragraph (3)(g),

shall be treated as a party who uses the material which infringes the registered trademark if when he applied the trademark, he knew or had reason to believe that the application of the trademark was not duly authorised by the registered proprietor of the trademark or a licensee.

D **[41]** Some may argue that there exists a syntax difference between "likely" and "likelihood". I find none. Although "likely" was used in the old s. 38, the courts had for a long period of time used that phrase interchangeably with "likelihood". See: *A Clouet & Co Pte Ltd & Anor v. Maya Toba Sdn Bhd* [1996] 1 BLJ 239 (HC); *Lim Yew Sing v. Hummel International Sports & Leisure* E *A/S* [1996] 4 CLJ 784 (CA); *Sinma Medical Products (M) Sdn Bhd v. Yomeishu Seizo Co Ltd & Ors* [2004] 3 CLJ 815 (CA); *Bata Ltd v. Sim Ah Ba & Ors* [2006] 3 CLJ 393 (CA); *Meidi-Ya Co Ltd, Japan & Anor v. Meidi (M) Sdn Bhd* [2009] 2 CLJ 15 (FC); *Ho Tack Sien & Ors v. Rotta Research Laboratorium S.p.A & Anor; Registrar Of Trade Marks (Intervener) & Another Appeal* [2015] 4 CLJ F 20; *Munchy Food Industries Sdn Bhd* (*supra*).

[42] Section 54 must be read together with s. 9 of the TMA 2019, in the current instance sub-s. 9(1), which provides:

(1) In determining whether the use of a trademark is likely to cause confusion on the part of the public, the Registrar or the court may take G into account all factors relevant in the circumstances, including whether the use is likely to be associated with an earlier trademark.

(2) ...

[43] It is trite that in determining the existence or otherwise of the H "likelihood of confusion on the part of the public", it is one of perception and not science: *Wagamama Ltd v. City Centre Restaurants Plc* [1995] FSR 713. This court would therefore assess the evidence and make up its own mind objectively and not solely relying on the evidence of the witnesses, market survey or market research: *Electrolux Ltd v. Electrix Ltd* [1954] 71 RPC, *Warmal Wil Heavy Duty Pumps Sdn Bhd v. Pump Matrix Engineering Sdn Bhd* I [2018] 1 LNS 88; [2018] 10 MLJ 99.

[44] DW1 (second defendant) had testified that the impugned defendants' foreign workers management system was presented to a group of officials of the Ministry of Home Affairs ("KDN"). Not only that, DW1 further emphasised in his testimony in consonant with the defendants' pleadings that the system that was presented to the said KDN officials was in actual fact a "dummy" system, which includes the usage of the infringing mark "MyFWMs" in the first defendant's website, which at the material time was still under construction. It was in fact a dummy website created solely for the said presentation/demonstration. The first defendant company at the material time was bidding for the project and the presentation was part of that bidding process at a proof of concept stage.

[45] Based on this evidence, I had requested learned counsels of both parties to submit further as to whether that group of KDN officials fall within the meaning of "public" and if the answer is in the affirmative, whether the presentation by defendants to them had resulted in "likelihood of confusion" as provided under sub-s. 54(2) of the TMA 2019.

[46] I agree with the submission of the plaintiff's counsel that our s. 54(2) TMA 2019 is in *pari materia* with s. 27(2) of the Singapore Trade Marks Act (Cap 322, 2005 Rev edn) particularly in the employment of the phrase "likelihood of confusion on the part of the public."

[47] In *Sarika Connoisseur Cafe Pte Ltd v. Ferrero SpA* [2012] SGCA 56, [2013] 1 SLR 531, the Singapore Court of Appeal, *inter alia*, in deciding on the applicable test for determining similarity of goods under the said s. 27(2) of the Singapore Trade Marks Act held that:

(i) The test for determining likelihood of confusion (under s. 27(2) of the Singapore Trade Marks Act) was whether a substantial portion of the relevant public would be confused. This standard was above *de minimis* and had to be appreciable, though it was unnecessary to show confusion of a majority of the relevant public.

(ii) In the instant case, "the relevant public" means the general public as both parties' products were generally available to the general public to purchase and consume (the products in question were chocolate products, and the trademarks in question were the respondent's "Nutella" and the appellant's "Nuttelo" marks.

(iii) Applying the earlier decision of the Singapore Court of Appeal in *Polo/Lauren Co, LP v. Shop In Department Store Pte Ltd* [2006] 2 SLR(R) 690), and the celebrated English Court decision of *The Pianotist* (*supra*), courts must take a holistic view of all the circumstances – including the "extraneous factors" – to determine whether a likelihood of confusion existed on the facts of each case.

(iv) Extraneous factors would mean "all the surrounding circumstances" as decided in *Pianotist*.

(v) If Parliament intended that upon establishing similarity in marks and goods there would immediately be a finding of confusion, Parliament would have used the phrase "there shall be deemed to be confusion" in that s. 27(2).

[48] Based on the affirmative reception of the decision of *The Pianotist* by Malaysian courts (see *Skyworld Development Sdn Bhd* (*supra*); *Merck KGaA v. Leno Marketing (M) Sdn Bhd; Registrar Of Trade Marks (Interested Party)* [2017] 1 LNS 1006 (CA); *Al Baik Fast Food Distribution Co SAE* (*supra*); *Hui Kuan Hoe v. Societe Des Produits Nestle S.A.* [2013] 2 CLJ 644 (CA); *LB (Lian Bee) Confectionary Sdn Bhd lwn. QAF Ltd & Satu Lagi Dan Satu Kes Yang Lain* [2011] 7 CLJ 797 (CA); *Tohtonku Sdn Bhd* (*supra*) (SC), and the application of the principle therein by the Singapore Court of Appeal in *Sarika Connoisseur* (*supra*), and that our new sub-s. 54(2) of TMA 2019 is in *pari materia* with sub-s. 27(2) of the Singapore Trade Marks Act, I am adopting affirmatively the principle of "extraneous factors" as laid down by the Singapore Court of Appeal in *Sarika Connoisseur* (*supra*) in determining the "likelihood of confusion on the part of the public" as provided in sub-s. 54(2) TMA 2019. This is also in consonant with the s. 9 of the TMA 2019 which provides that this court "may take into account all factors relevant in the circumstances, including whether the use is likely to be associated with an earlier trademark."

[49] The extraneous factors that I had taken into account based on the evidence before me were that:

(i) the defendants' impugned foreign workers management system was in the stage of development by the defendants;

(ii) that system was presented to a dedicated group of KDN officials, in the course of the defendants' bidding for the project, behind closed doors; and

(iii) the subject matter of the presentation/demonstration and all persons involved in that presentation/demonstration were subjected to the relevant secrecy laws and regulations.

[50] I took judicial notice that the relevant KDN officials must have been seized with the earlier similar project provided by the plaintiff. In their capacity as the officials seized of the project, they must have been familiar with the entirety of the project, including knowing the plaintiff's trademark used in that project for those years earlier.

[51] Based on all the above considerations, I concluded that the said KDN officials do not fall within the spectrum of "public" as envisaged by s. 54 of the TMA 2019. They may be well-informed persons on the services offered

but they are not the average consumer of the services offered by the defendants as discussed in *Sabel v. Puma* [1998] RPC 199. I concluded further that the said KDN officials cannot have been confused into believing that the presentation/demonstration by the defendants was a demonstration by the plaintiff. They cannot have been confused between the defendants' "MyFWMs" mark and the plaintiff's "FWCMS" trademark.

[52] I concluded that the defendants had offered their services in the course of their trade to the Government representatives. This was carried out through various means which include the stated presentation to the dedicated group of KDN officials and the creation of a dummy website "https:myfwms.com.my" and/or "https:myfwms.com" using the infringing mark. That mark is similar to the plaintiff's trademark.

[53] Having considered the above extraneous factor relevant to the circumstances, I concluded that the defendants did not infringe the plaintiff's trademark as the plaintiff failed to prove the requisite legal element of "resulting in the likelihood of confusion on the part of the public" as provided under s. 54 of the TMA 2019.

[54] Based on the above considerations, I conclude that the answer to the second issue is in the negative.

Issue 3: Passing Off

[55] As the plaintiff's claim for the tort of passing off is governed by common law, that claim does not depend on the registered proprietorship of its trademark.

[56] The elements which must be present in a passing off action were enumerated in *AG Spalding & Bros v. A W Gamage Ltd* [1915] 84 LJ Ch 449 at 450; [1914-15] All ER Rep 147, where Lord Parker identified the right as "property in the business or goodwill likely to be injured by the misrepresentation".

[57] In *Star Industrial Co Ltd (Trading As New Star Industrial Co) v. Yap Kwee Kor* [1976] FSR 256 at 269, Lord Diplock held:

> A passing-off action is a remedy for the invasion of a right of property not in the mark, name or get-up improperly used, but in the business or goodwill likely to be injured by the misrepresentation made by passing-off one person's goods as the goods of another. Goodwill, as the subject of proprietary rights, is incapable of subsisting by itself. It has no independent existence apart from the business to which it is attached.' It is sufficient that he misrepresents his goods in such a way that it is a reasonably foreseeable consequence of the misrepresentation that the plaintiffs business or goodwill will be damaged.

[58] In passing off, the protection provided by the law is not only limited to the plaintiff's registered marks but rather it extends to the goodwill in the plaintiff's business and trade: *Mesuma Sports Sdn Bhd v. Majlis Sukan Negara Malaysia; Pendaftar Cap Dagangan Malaysia (Interested Party)* [2015] 9 CLJ 125; [2015] 6 MLJ 465, FC.

[59] Thus, for the plaintiff to succeed in its claim in the tort of passing off, the plaintiff shall satisfy this court that:

(i) it has acquired goodwill in its trade/business;

(ii) there must be misrepresentation by the defendants which causes damage to the goodwill of the plaintiff's business through an unlawful association created by the defendants;

(iii) the plaintiff has thereby suffered or is likely to suffer damage as a result of the defendants' misrepresentation.

[60] To determine whether the plaintiff had acquired goodwill in its trade/business, this court applied the following guidelines as laid down by the Court of Appeal in *Yong Sze Fun & Anor v. Syarikat Zamani Hj Tamin Sdn Bhd & Anor* [2011] 1 LNS 1307; [2012] 1 MLJ 585.

(i) that goodwill is the benefit added to the business through extensive trading operations which attract customs;

(ii) that trademark or get up is the badge and indicia that signifies, indicates and identifies the goodwill and the business;

(iii) that goodwill is created through and by means of trading activities; and

(iv) that the more extensive the trading activities are, which must necessarily include sales and promotion, the more value that would be attached to the goodwill.

[61] There is no requirement for a trademark to be renowned before the user may be said to have acquired business goodwill, as clarified in the Court of Appeal case of *Skyworld Development Sdn Bhd* (*supra*).

[62] Defendants had emphasised time and again that their "MyFWMs" mark was coined from the acronym of the first defendant's name. The defendants argued that this is one of the most distinguishing factor to that of the plaintiff's which derived its "FWCMS" mark from the abbreviation of the services it provides.

[63] In *Skyworld Development Sdn Bhd* (*supra*), the plaintiffs (Skyworld Development Sdn Bhd and Skyworld Capital Bhd) brought an action against the corporate defendants (Skyworld Holdings Sdn Bhd, Skyworld Global Sdn Bhd, Skyworld (Sabah) Sdn Bhd and Sky World City Bhd) for infringement of the plaintiffs' "SkyWorld" registered trademarks, passing off and unlawful interference with trade for the defendants' usage of the marks "Skyworld" and "Sky World" in relation to the defendants' company names, domain

name as well as for their purported "Sky World City Sabah" project. The court held that the plaintiffs had established all the elements constituting trade mark infringement under s. 38 of the TMA 1976, and the corporate defendants are liable for trademark infringement in respect of their use of the infringing names in the company names, domain name and project name.

[64] The principle that I distilled from the above decision is that the argument as proffered by the defendants that they cannot be faulted for infringement of trademark or passing off simply because their chosen mark is a legit abbreviation of their company name, *per se*, cannot be sustained.

[65] The plaintiff is only required to show that its business identifiers (in this case the "FWCMS" marks) are distinctive of the plaintiff (*White Hudson & Co v. Asian Organization Ltd* [1964] 1 LNS 215; [1965] MLJ 186, PC). Having perused the evidence before me, I found that the plaintiff had acquired substantial goodwill and reputation in their trade through its "FWCMS" trademark, whereby the relevant public as well as the relevant community had identified "FWCMS" exclusively with the plaintiff, aside through their extensive and substantial advertising and promotional activities and investments through the years when they conducted the services of foreign workers management system to the public (*Mesuma Sports Sdn Bhd* (*supra*)).

[66] In determining whether there was misrepresentation by the defendants, I turned on to the decision of the Supreme Court in *Seet Chuan Seng & Anor v. Tee Yih Jia Food Manufacturing Pte Ltd* [1994] 3 CLJ 7; [1994] 2 MLJ 770, where Gunn Chit Tuan CJ (Malaya), held:

> In order to create a valid cause of action for passing off, there must be a misrepresentation made by a trader in the course of trade to prospective customers of his or ultimate consumers of goods or services supplied by him, which was calculated to injure the business or goodwill of another trader and which caused actual damage to a business or goodwill by whom the action is brought. ... the logo and get-up had become distinctive of the respondent's products and the use by the appellants was likely to deceive or cause deception to a potential buyer or customer ...

[67] I rule that the plaintiff had successfully proven misrepresentation by the defendants which cause damage to the goodwill of the plaintiff's business through an unlawful association created by the defendants, and that the plaintiffs have thereby suffered damage as a result of the defendants' misrepresentation. Consequently, I allow the plaintiff's claim for the tort of passing off.

A Issue 4: Unlawful Interference With Trade

[68] I am guided by the Court of Appeal's decision in *Skyworld Development Sdn Bhd* (*supra*) where two main principles could be distilled on this issue when the court held:

B > ... (i) once the plaintiffs have established their claim for trade mark infringement and/or passing off, it is natural consequence that the tort of unlawful interference with trade will also be made out. ...
>
> (ii) the Corporate defendants' intention is not relevant in cases where trade mark infringement and passing off is involved (*Excelsior Pte Ltd v. Excelsior Sport (S) Pte Ltd* [1985] 1 LNS 60; [1986] 1 MLJ 130).

C

[69] As I had made an affirmative finding on the issue of tort of passing off, I decided in favour of the plaintiff that there was an unlawful interference with its trade by the defendants.

Issue 5: Conspiracy To Injure

D

[70] For the plaintiff to succeed in its claim against the defendants for tort of conspiracy to injure by unlawful means, the plaintiff must fulfil the following three elements of the tort of conspiracy to injure:

(i) there must be proof of an agreement and/or a combination of efforts of
E the conspirators to injure the plaintiff. Such an agreement or combination may be:

(a) formal or informal; or

(b) in writing or by word of mouth;

F (ii) there are acts committed to execute the agreement or combination to injure the plaintiff; and

(iii) the plaintiff has suffered damage due to acts done in execution of the agreement or combination to injure the plaintiff.

G (See: *Renault SA v. Inokom Corporation Sdn Bhd & Anor And Other Applications* [2010] 5 CLJ 32; [2010] 5 MLJ 394 (CA); *SCK Group Bhd & Anor v. Sunny Liew Siew Pang & Anor* [2010] 9 CLJ 389; [2011] 4 MLJ 393 (CA); *Muniandy Nadasan & Ors v. Dato' Prem Krishna Sahgal & Ors* [2016] 1 LNS 592; [2016] 11 MLJ 38 (HC))

H **[71]** It is my finding that, on a balance of probabilities, the plaintiff has successfully proven that the defendants had conspired by unlawful means to injure the plaintiff. This finding is particularly based on the evidence before me that led me to conclude in my earlier findings that the defendants had created a mark that is similar to that of the plaintiff's, and that the defendants
I had committed the tortious act of passing off against the plaintiff's trademark and had unlawfully interfered with the plaintiff's trade.

[72] That conspiracy is not a criminal conspiracy as argued in the submission of the defendants' counsel.

Remaining Issues

[73] I had decided to deal with the following remaining issues collectively:

> Issue 6: Whether or not there exist a contract between the plaintiff and the Government of Malaysia for the plaintiff's provision of the foreign workers management system;
>
> Issue 7: If the answer to the 6th issue is in the affirmative, whether that contract is still effective;
>
> Issue 8: Whether the defendants had profited from the use of the "MyFWMs" marks;
>
> Issue 9: Whether the plaintiff's claim against the defendants in relation to the defendants' use of the "MyFWMs" mark can subsist as the Government of Malaysia had decided to suspend the earlier contract between the Government of Malaysia and the plaintiff on the provision of the foreign workers management system.

[74] As I have allowed the plaintiff's claims for passing off, unlawful interference with trade and conspiracy to injure, I had instructed for a determination on damages for the plaintiff on these headings through an assessment of damages proceeding to be held separately before me. I had decided that the eighth issue raised by the defendant as to whether they had profited from the use of the "MyFWMs" marks would be determined at the said assessment of damages proceeding.

[75] I had decided that the sixth, seventh and ninth issues are irrelevant for the purposes of the current claims before me and as such I shall not deal nor provide answers to these issues.